KEEGAN WERLIN LLP

ATTORNEYS AT LAW
265 FRANKLIN STREET
BOSTON, MASSACHUSETTS 02110-3113

(617) 951-1400

TELECOPIERS:
(617) 951-1354
(617) 951-0586

May 9, 2005

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

RE: D.T.E. 04-116- Investigation by the Department of Telecommunications and Energy On Its Own Motion Regarding the Service Quality Guidelines Established in Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84 (2001)

Dear Secretary Cottrell:

Please find attached the responses of Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company, d/b/a NSTAR Electric and NSTAR Gas Company (together with NSTAR Electric, "NSTAR") to the Department of Telecommunications and Energy's First Set of Discovery to the Electric Companies in the above-referenced proceeding.

Please contact me, Cheryl Kimball or Kerry Britland at NSTAR if you have any questions regarding the filing.

Very truly yours,

John K. Habib

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Enclosure
cc: Service List
Jody Stiefel
Joseph Rogers, Assistant Attorney General

Information Request DTE-LDC 1-1

Under the existing Service Quality Guidelines, each electric distribution company reports line losses. For example, MECo reports line loss in terms of energy losses for its entire system on a monthly basis. Please provide peak megawatt ("MW") loss separately at each voltage level, such as 345 kV to 120/240 kV, and calculate as a percentage of your annual system peak. Also, calculate total system peak MW loss as a percentage of a system peak. In addition, please provide the method used to calculate these losses.

Response

The Company does not have the capability to calculate peak megawatt ("MW") loss separately at each voltage level using the existing metering devices that the Company has installed on its transmission and distribution systems. Moreover, the Company's metering devices cannot provide data that would allow the Company to calculate its total system peak MW loss as a percentage of the Company's annual system peak.

The Company's line loss data, as reported annually to the Federal Energy Regulatory Commission and to the Department in the Company's Annual Service Quality Reports, is calculated by determining the total amount of MWH serving the Company's system (including megawatthours ("MWH") purchased and the MWH associated with the power provided from competitive suppliers) and subtracting from that amount the MWH: (1) sold to retail customers (including unbilled sales); (2) sold for resale, and (3) used by the Company. The costs of installing specialized meters throughout the Company's transmission and distribution system would far outweigh any benefit in the form of additional line loss accuracy that may result from their use.

Information Request DTE-LDC 1-2

Refer to the Initial Comments of Massachusetts Electric Company and Nantucket Electric Company ("MECo") at 15-16, Att. 1, where MECo discusses discrepancies between indices collected using paper-based outage data collection systems verses mature/automated outage data collection and management systems. Please indicate:

a) whether this type of discrepancy applies to your company's outage data collection and management systems; and

b) whether the existing fixed SAIDI and SAIFI benchmarks are a true representation of your company's historical performance, and whether these existing benchmarks should be revised. If so, also propose new benchmarks.

Response

a) Similar to Massachusetts Electric Company and Nantucket Electric Company, NSTAR has implemented new technology over the past few years to increase the level of automation involved in its data collection and outage reporting activities. For example, prior to 2001, NSTAR maintained an automated system for trouble calls, but did not have in place an automated system to collect and report outage information. Instead, outages were tracked by manual entries into electronic spreadsheets or databases that were maintained over the years. In 2003, NSTAR completed its effort to build an electronic interface between our trouble call management system, M3i, and a home-grown, reporting database we call the Electric Outage Summary. This interface, augmented with work process improvements, greatly enhanced the consistency and amount of detail available to the Company in relation to outage events. In addition, during 2003, the Company instituted system changes to add the capability to gather a greater level of detail on outages that do not involve a primary distribution circuit (i.e., outages involving a secondary line, line transformer only or service only). During 2004, NSTAR completed a significant upgrade to the M3i system designed to further automate the recording of system-interruption data on the number of customers affected by a given outage. In combination, these system improvements add a greater level of refinement to the data available to NSTAR in relation to reliability statistics.

Unlike Massachusetts Electric Company and Nantucket Electric Company, NSTAR Electric has not encountered any need to adjust performance data or the historical performance benchmarks. Although a greater level of detail is

available to the Company because of the system changes, the Company has continued to calculate SAIDI/SAIFI consistent with the Department's established methodology.

b) Each year, the Company experiences outages of varying frequency and duration in each of its services areas. Because there is an interest in knowing how many outages occur and how long those outages are, SAIDI/SAIFI metrics are put in place to track these statistics. In order to assure consistency in the measurements from year to year, the SAIDI/SAIFI metrics use objective criteria to define the types and duration of outages that will be included in the tracking mechanism. The same methodology is then used year-to-year to track performance so that changes in performance can be detected and evaluated, if necessary. The Company's existing benchmarks are based on the SAIDI/SAIFI methodology that was historically (and consistently) used by the Company and adopted by the Department in D.T.E. 99-84. Therefore, the Company's existing SAIDI/SAIFI benchmarks are a true representation of historical performance.